

stop before the cuts that favor the wealthy on capital gains, inheritance taxes, and retirement accounts take hold. The tables suggest that the middle-class reaps most of the benefits, but independent analysts say that about 50 percent of the cuts will go to the richest 5 percent of taxpayers.

Further newspaper account: The changes in Federal tax and benefit policies now working their way through Congress would eventually be worth thousands and thousands of dollars a year to the 5 million wealthiest families in America, while the 40 million families with the lowest incomes would actually lose money, a new study shows. The effect would be to widen the gap between the richest and the poorest families, a division that has been growing for the past 20 years.

Mr. Speaker, working and middle-class families are going to be given the short end of the stick from the Republican tax cut proposal. Two-wage-earner families who now have a child care tax credit, these folks are going to be penalized. These are two people in the work force who take advantage of a child care tax credit because they have to send their children for child care. They are going to be penalized by the Republican tax cut proposal.

The Republican bill hurts working families by denying minimum wage to those who are struggling to make the transition from welfare to work. Instead of being rewarded for work, people are going to be treated as second class citizens and not be paid the minimum wage. The Republican bill hurts students by providing \$15 billion less for the education initiatives, for the HOPE scholarships, that were promised in the budget agreement. Middle-class working families are going to be hurt.

Mr. Speaker, who is benefiting from these tax cuts? Big business and the wealthy under the Republican tax proposal. It helps big business by scaling back something called the alternative minimum tax by \$22 billion. This was a tax that was supposed to ensure that the largest corporations in this country pay at least some tax. But now the Republicans want to scale it back and phase it out completely for some businesses. That means that some businesses would have a zero tax obligation.

Further, over half of the benefits, as I have said, go to the top 5 percent of America. These are the facts. Again, Mr. Speaker, do not take my word. Republican pundit Kevin Phillips, a conservative political commentator, has said, "Republicans are determined to slash the capital gains tax, the estate tax, the corporate alternative minimum tax and some other provisions important to the people who write the campaign checks." Mr. Speaker, it clearly identifies who they want to help.

The Democratic package is focused on middle-class families. It provides the majority of its benefits to families who are making less than \$100,000 a

year. It also includes \$37 billion for tax credits to help students to pay for college. It provides relief to small businesses, homeowners, and farmers in the form of targeted capital gains and estate tax cuts. Finally, the bill does not allow for the explosion of the deficit in later years.

Mr. Speaker, in this budget debate, it is clear whose side the Republicans are on: big business and the wealthy. In fact, it is the Democrats who can say and stand with pride and talk about how we are trying to provide tax relief for those people, working middle-class American families, who every single day are getting up and going to work and paying taxes and therefore need to have tax relief so that they can afford to raise their kids, educate them, pay for their health care, and help to pay for their retirement security.

RECESS

The SPEAKER pro tempore. There being no further requests for morning hour debates, pursuant to clause 12, rule I, the House will stand in recess until 10 a.m.

Accordingly (at 9 o'clock and 37 minutes a.m.) the House stood in recess until 10 a.m.

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AFTER RECESS

The recess having expired, the House was called to order by the Speaker pro tempore [Mr. RADANOVICH] at 10 a.m.

PRAYER

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

Help us, O God, to experience anew the gift of Your blessing so that each hour becomes an hour of grace and each day becomes a day when our spirits are refreshed. Enable us, O gracious God, to put aside the burdens and difficulties and errors that have held our spirits captive and free us to be good custodians of the resources of our land and be faithful guardians of the worth of every person. With gratefulness and with thanksgiving, we offer these words of prayer. Amen.

THE JOURNAL

The SPEAKER pro tempore. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

Mr. HEFLEY. Mr. Speaker, pursuant to clause 1, rule I, I demand a vote on agreeing to the Chair's approval of the Journal.

The SPEAKER pro tempore. The question is on the Chair's approval of the Journal.

The question was taken; and the Speaker pro tempore. announced that the ayes appeared to have it.

Mr. HEFLEY. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Pursuant to clause 5 of rule I, further proceedings on this question are postponed.

The point of no quorum is considered withdrawn.

PLEDGE OF ALLEGIANCE

The SPEAKER pro tempore. Will the gentleman from Ohio [Mr. TRAFICANT] come forward and lead the House in the Pledge of Allegiance.

Mr. TRAFICANT led the Pledge of Allegiance as follows:

I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. The Chair will entertain ten 1-minutes from each side of the aisle.

REMOVAL OF NAME OF MEMBER AS COSPONSOR OF H.R. 1515

Mr. JACKSON of Illinois. Mr. Speaker, I ask unanimous consent to remove my name as a cosponsor of H.R. 1515, the Expansion of Portability and Health Insurance Coverage Act of 1997.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

CHINA MFN

(Mr. GIBBONS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GIBBONS. Mr. Speaker, I rise this morning to urge my colleagues to join me in support of House Joint Resolution 79, to disapprove the extension of most-favored-nation status to China.

The Chinese have enjoyed most-favored-nation status for more than 17 years, yet they continue to turn a blind eye to unspeakable human rights violations; they continue to proliferate weapons of mass destruction to countries such as Pakistan and Iran and other countries which support terrorism. They continue to blatantly violate our existing trade agreements. Still, there are those who would argue that the way to solve these problems is to extend MFN status and to maintain the status quo.

Mr. Speaker, we have tried leading by example and the Chinese Government has made it abundantly clear that they are not willing to change. Mr. Speaker, Americans should not be forced to accept the cavalier conduct of the People's Republic of China. I rise to urge my colleagues to vote yes on House Joint Resolution 79.